



Date: March 21, 2011

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Kevin Dick, Director, Office of Economic and Workforce Development

Nicholas McCoy, Senior Workforce Development Manager
Office of Economic and Workforce Development

Subject: Amendment to the City of Durham Employment and Training 2010-2012
Grant Project Ordinance which will supersede Grant Project Ordinance #
14094

Executive Summary

This item amends the City of Durham Employment and Training 2010 - 2012 Grant Project Ordinance #14094.

The amendment reflects a total increase of \$148,954.00 in available Workforce Investment Act Technical Assistance funds for On-the-Job Training (OJT), the award of two Incumbent Worker grants, and funds to support the 2011 Workforce Development Professionals month kick-off event that will be hosted by the Durham Workforce Development Board in May 2011, resulting in a new total of \$2,112,304.00. Line-item revisions to the 2010-2012 budget have made this amendment necessary to maintain an overall balanced budget.

Recommendation

Staff recommends that City Council authorize the City Manager to accept the "Employment and Training" Grant by executing the grant documents and adopting the "City of Durham Employment and Training Grant Project Ordinance 2010-2012" in the amount of \$2,112,304.00, superseding Grant Project Ordinance #14094.

Background

The Office of Economic and Workforce Development (OEWD) receives Notices of Fund Availability (NFAs) from the North Carolina Department of Commerce, Division of Workforce Development (DWD) periodically during the year as additional funding becomes available or when special funding is awarded. Funds received are added to the City of Durham Employment and Training grant project ordinances to provide workforce

development services to Durham residents and businesses.

Issues & Analysis

On March 9, 2011, OEWD received a NFA from DWD in the amount of \$200,000 in On-the-Job Training (OJT) funds that were awarded to the City of Durham to provide on-the-job training subsidies to help offset costs for Durham businesses to hire long-term unemployed participants of the Workforce Investment Act (WIA) Adult and Dislocated (“Laid-off”) Worker program. This GPO amendment includes the first of two installments of OJT funds in the amount of \$100,000.00. OEWD anticipates a second installment totaling \$100,000.00 to be received by the state and added to a future GPO in FY12.

Also on March 9, 2011, OEWD received a second NFA from DWD in the amount of \$5,000.00 to support the 2011 Workforce Development Professionals month kick-off event that will be hosted by the Durham Workforce Development Board on May 11, 2011. This event will be open to approximately 80 workforce professionals, state and local officials, and workforce board members from across the state, to attend this event at a downtown Durham location.

On March 11, 2011, OEWD received a third NFA from DWD notifying staff that *The Copernicus Group* was awarded a \$25,000.00 Incumbent Worker grant and *CrossComm, Inc.* was awarded a \$16,861.00 Incumbent Worker grant, to provide training to current employees. The State has also allocated a combined administrative amount of \$2,093.00 for a total grant award to the Durham Workforce Development Board/OEWD of \$43,954.00.

The North Carolina Incumbent Workforce Development Program offers opportunities for North Carolina businesses to compete for funding that will help them train existing employees. This training is geared toward skill upgrades for the purposes of career advancement and/or layoff prevention. Funds flow from the North Carolina Department of Commerce – Division of Workforce Development through the Durham Workforce Development Board/Office of Economic and Workforce Development.

Funds received for Incumbent Worker Training grants will allow *The Copernicus Group* (located at 1 Triangle Drive in Durham) to provide training for 20 employees in Lean training for continuous improvement and *CrossComm, Inc.* (located at 207 N. Church St. in Durham) to provide 8 of their employees a variety of web design, HR, supervisory and project management trainings.

Approval of this Grant Project Ordinance will allow these companies to improve their overall operational efficiencies and increase their competitiveness and profitability.

To accurately reflect the addition of \$148,954.00 in WIA Technical Assistance funds, an amended Grant Project Ordinance in the amount of \$2,112,304.00 has been prepared to supersede Grant Project Ordinance # 14094. This new Grant Project Ordinance must be adopted in order for the City to receive the new funding.

Alternatives

Council may choose to not approve the Grant Project Ordinance, as amended, or may choose to approve specific line items within the amended Grant Project Ordinance.

If Council chooses not to approve the amended Grant Project Ordinance, OEWD would have a lower operating budget and be less able to implement the employment and training objectives outlined in the Issues/Analysis section.

Financial Impact

WIA funds are federal formula dollars administered by OEWD. Funding or not funding this item will have no impact on the City's general fund.

This item will increase the City of Durham 2010-2012 Employment and Training Grant Project Ordinance by \$148,954.00, from \$1,963,350.00 to \$2,112,304.00.

SDBE Summary

An SDBE summary is inapplicable because no project-specific goals have been set and no SDBE's are involved in this item.